Ministry of Employment and Investment

Performance Plan

2000-2001

April 2000

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Introduction

The Ministry of Employment and Investment is the lead provincial agency for promoting economic development throughout the province, and for creating and protecting jobs across British Columbia.

The 2000-2001 Performance Plan for the Ministry supports the provincial government's modern, balanced approach to economic growth in B.C., as articulated in the Speech from the Throne on March 15, 2000.

The 2000-2001 Performance Plan is a forward looking document focusing on building the province's economy in the new millennium.

It challenges the Ministry to work with the private sector:

- To diversify the provincial economy further through strategic investment and development in areas such as: aerospace, call centres, fuel cell technology, film and new media, semi-conductors, bio-medical industries, environmental industries, human genomics, ski resorts, alternate energy (e.g. ethanol), small hydro projects, and aluminum.
- To strengthen the traditional resource industries - forestry, mining, oil and gas, fisheries - through support of value-added and manufacturing initiatives, "eco" certification for wood products, and export strategies for targeted products.
- To expand markets for B.C. goods and services around the world, with a focus on Asia, the Americas, and Europe, through trade shows, trade missions and international agent offices.
- To support the development of critical economy-supporting infrastructure, such as a new Vancouver Trade and Convention Centre, and new power generation and gas transmission projects.
- To preserve jobs at risk, and assist community stability.

It also calls on the ministry to work with other levels of government:

- To increase the number of business immigrants, and investor immigrants to B.C.
- To promote and protect B.C. economic interests in internal and external trade agreements.
- To support the development of municipal and community infrastructure for regional economic development.

Finally, the Performance Plan looks inwards at the ministry and looks at the opportunities to improve its program effectiveness and administrative efficiency, and equity hiring.

Vision

A strong, dynamic and diversified provincial economy that provides increased economic opportunities, and generates wealth for British Columbians in all regions of the province.

Mission

To support the development of a strong, dynamic and diversified provincial economy, and to create jobs in all regions of the province through the promotion of investment and trade.

The government recognizes the private sector as the primary creator of wealth and new jobs. The ministry's role is to assist business, investment and trade, and promote economic development and job creation throughout the province.

Key components of a positive business and investment climate are modern and efficient infrastructure, skilled people, a competitive tax structure, and a good health care system.

Values

Values - principles and beliefs - define the ministry's management style, and govern the way it makes decisions. They guide ministry staff in interacting with each other and with the ministry's stakeholders.

- **The ministry promotes economic development province-wide** - Jobs and prosperity stem from economic activity. The ministry is committed to assisting individuals, businesses, and communities in creating jobs, economic opportunities, and wealth for the benefit of all British Columbians.

- **The ministry is professional and responsive to clients** - It is service-oriented, and committed to the highest standards of professionalism. It always strives for greater program effectiveness, and administrative efficiency.

- **The ministry is open, approachable and flexible** - It believes in sharing information and is committed to open discussion with stakeholders. It is innovative, and continuously endeavours to find new creative approaches.

- **The ministry is cooperative** - It supports a corporate, multi-agency approach to economic development. It is committed to establishing partnerships and building alliances with individuals, industry, other ministries, and other governments to advance economic development objectives.

- **The ministry promotes employment equity and fair treatment, and encourages teamwork** - It strives for a work environment that respects the diversity, skills and the experience of others. It is sensitive to equitable hiring, training and promotion of employees. It believes in developing teams to address issues and to solve problems.

Environmental Scan

The environmental scan provides the ministry with critical information for thinking about, and preparing for the future.

The scan reflects the priorities and assumptions set out within the government's 2000/2001 Budget. It focuses on those macro-economic trends which will directly impact and are most relevant to the activities of the Ministry over the next fiscal year.

Selected Macro Trends

- **Mixed conditions for exports** - British Columbia's trade ties to rapidly growing markets in Alberta, Ontario, and the U.S. are responsible for the current export-led recovery. The province's largest single export market is the U.S. In 1999, B.C. exported $19.4 billion to the U.S., or 67.6% of total exports. This was an increase of 30.5% over 1997. B.C. exports to Japan were down 29% in 1999, over 1997.

- **Consumption growth will be limited** - Recent indicators point to steady improvement from weak conditions in 1999. Improvement will be constrained by slower population growth, slowly rising consumer confidence, and stable personal incomes.

- **Economic recovery will be steady** - Exports and consumption alone account for about 71% of total demand in B.C. Recovery is now here and is gathering momentum. Continued government spending in priority areas (e.g., health and education) and growth in investment is contributing to recovering economic growth. In 2000, the economy is expected to grow by 2.2% in real terms, up from 1.4% in 1999.

- **New Economy and High Technology** - Jobs in high tech and tourism increased by 105%, and 53%, respectively, from 1984-98. This growth has been strongly felt in regions which rely more on the services sector (e.g. Lower Mainland, Okanagan, Southern Vancouver Island).

- **Regional dependence on forestry and other resources** - From 1984 to 1998, employment in commercial fishing dropped by 44%. During this same time, employment in forestry and mining was up slightly at 3.6 % and 3.3% respectively. Communities dependent on forestry and fishing (e.g. Northern Vancouver Island, North Coast, Central Interior) generally face greater economic difficulties. Further regional challenges stem from reduced exploration and mining activity caused by low global prices for mineral commodities.

- **Forest Sector** - The forest sector is undergoing a significant transition from its capital expansion period in the last half of the 20th century. Its new focus is on corporate consolidation, adding value to production, environmental sensitivity, First Nations participation, expanding markets, and resolution of international trade issues. Development in the sector has become much more complex; no longer can growth rely on an abundance of uncommitted timber.

The environmental scan also provides an assessment of the ministry's internal strengths and weaknesses that may impact the ministry's ability to accomplish its goals and objectives.

Strengths

- Skilled and flexible staff.
- Professional expertise in various sectors, including: fuel cells, pharmaceuticals, biotechnology, energy, forestry, construction industry, and various professions, including trade law, finance, economics and program development.
- Access to special tools such as the Job Protection Commission, Industrial Incentive Fund, and Power for Jobs.
- Excellent reputation at home and abroad in promoting and assisting individuals, business and communities in realizing economic opportunities and in creating jobs.

Weaknesses

- Lack of international presence weakens links to U.S., Asian, European and other markets.
- Lack of regional representation on broad economic development issues.
- Links to private sector and stakeholders need strengthening.
- Budget reductions have cut ministry's "tool kit" and research and delivery capabilities.

Opportunities

- Emerging high-technology - new media, fuel cell and clean-energy technologies, information technology, biotechnology and aerospace - tourism, including eco-tourism, and film and TV production sectors.
- Educated, skilled and diverse work force; diverse cultural and ethnic mix.
- Green economy enterprises - research, demonstration and development of new environmental technologies.
- Large export opportunities because of a strong U.S. economy, and recovering Asia Pacific economies.
- Growing tele-health/elder-care sectors.
- Low inflation, few restrictions on foreign investment, competitive Canadian dollar.
- Low-cost energy, and abundant resources.

Challenges

- Improving relationship with business communities.
- Establishing infrastructure for the high-technology sector.
- Regional versus urban dichotomy.
- Depressed global prices for commodities.
- High density development in Lower Mainland.
- Infrastructure gaps (e.g., power and telecommunications in the north).
- Small domestic market; competitive world market.
- Attracting skilled immigrants to the province.
- Striking an acceptable balance between environmental protection and economic growth.
- Enhancing co-operation with the federal government.
- Continuing flow of ad hoc demands, from outside and central agencies.
- Provincial governments have relatively little influence over most investment decisions.

Goals and Objectives

The ministry has three primary goals. The first two goals define key elements and move the ministry towards achieving its vision. The third goal is designed to address administrative issues in support of the other goals.

Ministry Goals	*Ministry Objectives*
To promote strategic economic development	• increase private sector investment, and diversify B.C.'s economy • support development of critical infrastructure • promote B.C.'s resource products in world markets • promote and expand alternative energy sources • reduce number of jobs at risk, and preserve jobs that are at risk
To increase economic and social benefits from trade	• expand trade with Asia, the Americas and Europe • promote and protect B.C.'s trade interests • increase business immigration
To improve program effectiveness and administrative efficiency	• improve program effectiveness by implementing business/performance plans • implement a new financial system • improve achievement of equity targets in hiring

Strategies

Strategies are the actions that describe how the objectives are to be achieved.

Ministry Objectives	*Strategies*

Increase private sector investment and diversify B.C.'s economy	• promote B.C. as a favourable investment location
	• attract major investment in strategic sectors. (e.g. aerospace maintenance, ski hills)
	• secure reinvestment in traditional sectors
	  • access Power for Jobs and the Industrial Incentive Fund to facilitate major projects
	  • develop new/emerging sectors (ethanol, fuel cell, citric acid plant, call centres, human genomics, new media)
	• develop sector profiles and implement
	• strategies in aerospace, new media, biomedical, and environmental industries
	• secure investment in fuel cell manufacturing, aluminum, and semi-conductors
	• develop viable fuel cell R&D/manufacturing capability
	• lobby federal government to abolish GST in foreign trade zones
	• initiate and implement a new Western Economic Partnership Agreement with the federal government, and develop provincial projects to be funded under this agreement

Support development of critical infrastructure	• promote and support development of infrastructure in transportation, telecommunications, and energy
	  • support the development of power infrastructure, including: Island cogeneration plant, Seven Mile Hydro expansion, Port Alberni cogeneration plant, and the second Vancouver Island and Southern Crossing natural gas pipelines
	• promote and support development of new economy infrastructure, including research facilities, clean rooms and incubation centres
	  • promote and support research and development and training
	• promote development of the Vancouver Trade and Convention Centre
	• negotiate and initiate Infrastructure Works Program III

Promote B.C.'s resource products in world markets	• maintain and expand B.C.'s market share of traditional and new resource products
	• support development of green certification for wood products
	• develop export strategies for targeted products (e.g., wood products to India)
	• participate in trade shows:
	  • CanAsia
	  • Foodex, Tokyo
	  • AusTimber, Albury, Australia
	• sponsor trade and investment missions – incoming and outgoing

Promote and expand alternative energy sources	• position B.C. to take advantage of changing energy markets • develop new/emerging sectors (ethanol, fuel cell) • develop a clean energy strategy • implement green infrastructure component of the Infrastructure Works Program III • support Green Economy initiative (financial evaluations, energy initiatives)
Reduce the number of jobs at risk and preserve those jobs that are at risk	• save jobs in a large number of traditional industries with assistance of Job Protection Commission • implement a strategy to sell Skeena Cellulose • determine B.C. impacts of airline restructuring and respond to identified risks • explore opportunities to support Tumbler Ridge, Northeast Coal/ rail

Expand trade with Asia, the Americas and Europe	• participate in trade and investment missions (Canadian Tech. Week, Singapore; Foodex, Tokyo; AusTimber; CanAsia)
	• sponsor trade missions — incoming and outgoing — involving 130 delegations next year, including:
	  • May 30-June 2, 2000
	  • first Japanese wine tour, April 2000 (eight days) — anchored by wine festivals
	  • Farnborough Airshow
	  • Globe 2000, Vancouver
	  • Canadian Tech. Week, Singapore
	  • Softworld
	  • Premier's participation in Team Canada missions
	  • missions to Asia, Europe, U.S. and Latin America
	• manage international agent offices
	• develop export strategies for targeted products (e.g., wood products to India)

Promote and protect B.C.'s trade interests	• provide trade advisory services to rest of government • softwood lumber - working with the Ministry of Forests, federal government, and industry, review options to present case to the WTO • develop negotiating strategies with respect to ongoing Internal Trade Agreement negotiations • resolve trade disputes (e.g., pinewood nematode, water exports) • protect B.C.'s interests in national/international trade agreement negotiations - Agreement on Internal Trade; World Trade Organization, Free Trade Agreement of the Americas, educational activities on WTO and General Agreement on Trade in Services (GATS)
Increase business immigration	• promote Business Immigration • develop business plan for participation under the new immigrant investor program.
Implement a new financial system	• train staff in new financial system
Implement business/performance plans	• finalize business/performance plan and communicate to all staff
Achieve equity targets in hiring	• expand outreach recruitment for out-of-service opportunities to achieve employment equity objectives

Performance Measures

Performance measures can be used to indicate the ministry's degree of success in achieving its goals and objectives.

Objective	*Performance Indicator*	*Target for 2000/2001*

increase private sector investment and diversify B.C.'s economy	• proportion of B.C. real GDP arising from non-resource sector, knowledge-based industries	• foster future investment in call centres, multi-media, fuel cell manufacturing and semi-conductors
		• WEPA signed
		  • $20M projects launched
		  • balance of funding agreed

support development of critical infrastructure	• implementation of new Federal/Provincial Infrastructure Works Program	• Agreement signed • Initial projects announced and started
promote and expand alternative energy sources	• number and size of alternative energy projects confirmed	• two projects confirmed • one initiated • total of 20MW
reduce the number of jobs at risk and preserve those jobs that are at risk	• businesses and jobs saved by JPC	• reduction in the number of inquiries to JPC • reduction in the number of files accepted by the JPC
expand trade, particularly with Asia, the Americas and Europe	• increased exports of B.C. goods and services to offshore markets	• maintain share of exports
increase business immigration to B.C.	• maintain B.C.'s share of total business immigration to Canada	• B.C. to maintain 30% of all business immigration to Canada
implement new financial/ budget system - ORCA	• train 30 staff required to implement new system ministry-wide	• 30 staff trained
achieve employment equity goals in hiring	• Increase representation of under-represented groups	• give preference to designated groups in 100 percent of auxiliary hires

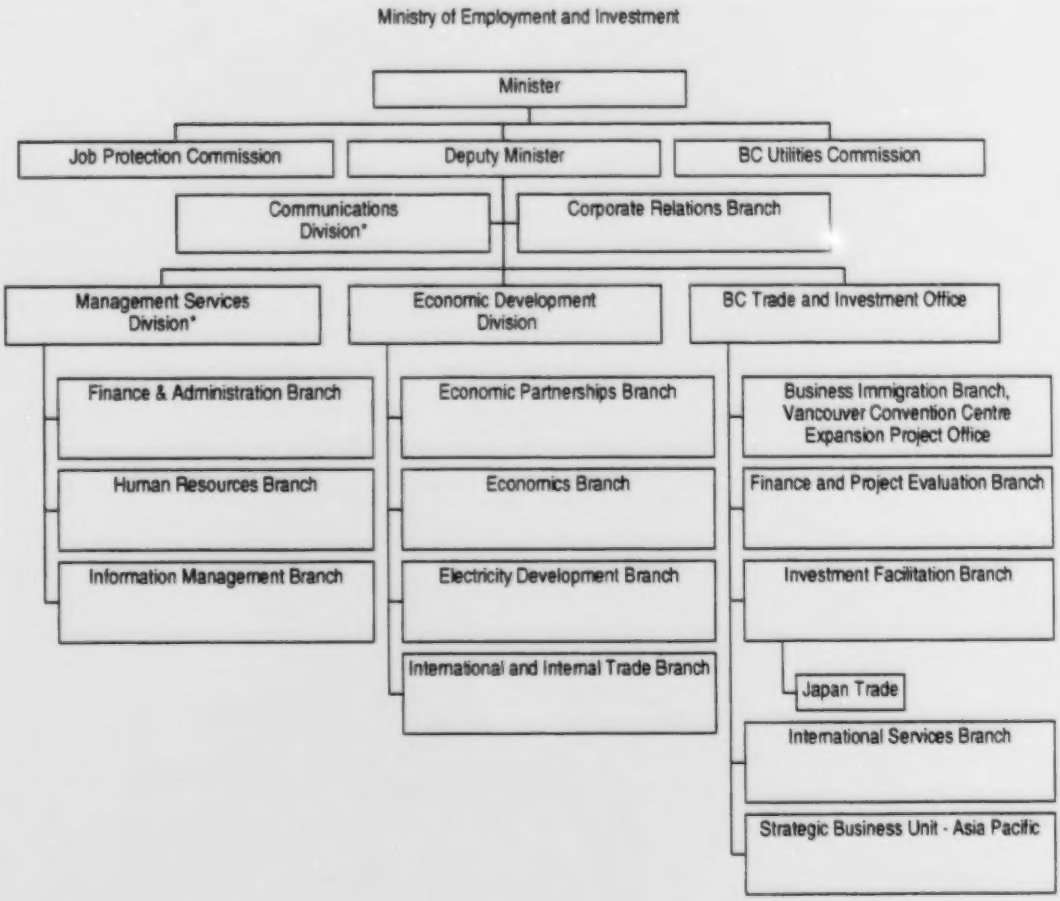
Link to Government Priorities

The following table links the ministry priorities to the government's priorities.

Government Priority	*Ministry Goal*	*Ministry Objectives*
Families and Communities	• to promote strategic economic development	• increase private sector investment (in communities in regions) • diversify B.C.'s economy (particularly important in regional communities) • support development of critical infrastructure in regions (community level projects- Infrastructure Works Program III) • reduce the number of jobs at risk, and preserve those jobs that are at risk ("working families")
Stronger economy for B.C.	• to promote strategic economic development and diversify the economy	• promote B.C.'s resource products in world markets • expand trade • protect B.C.'s trade interests • increase business immigration
Environment	• to promote strategic economic development	• increase the number of alternative energy projects in the Green Economy.

Resource Linkage: Financial and Human Resources

The Ministry has 232 FTEs, and a number of semi-independent agencies, boards and commissions (see figure below).



* Also provides services to the Ministry of Energy and Mines, the JPC, the Northern Development Commission, the Oil and Gas Commission, the Columbia Power Corporation, the Ministry of Community Development, Cooperatives and Volunteers, and the CIDA Peru project.

Figure 1. Ministry Organization

The 2000/01 Budget is approximately $37 million, which includes the following:

Program	*Budget ($000)*	*FTE*	*Comments*
Minister's office	371	5	
Corporate Services	14,218	92	Deputy Minister's office, Corporate Relations, Communications and Management Services Division
Economic Development	5,407	40	
BC Trade and Investment Office	12,862	69	
Reserve for Doubtful Accounts	4,296	N/A	
BC Utilities Commission (1)	1	26	BCUC's FTE count is included in MEI's total FTE number
Natural Resources Community Fund	10	N/A	
Build BC	1,398	N/A	
Less Transfer from Ministry Operations Vote	(1,398)	N/A	
Total	**$ 37,165**	**232**	

(1) BCUC has an operating budget of $3.127 million, which is cost-recovered from regulated utilities, hearing and project applicants, and others.